

E-filed: 2/13/08

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

HYNIX SEMICONDUCTOR INC., HYNIX
SEMICONDUCTOR AMERICA INC.,
HYNIX SEMICONDUCTOR U.K. LTD., and
HYNIX SEMICONDUCTOR
DEUTSCHLAND GmbH,

Plaintiffs,

v.

RAMBUS INC.,

Defendant.

No. CV-00-20905 RMW

ORDER DENYING RAMBUS'S MOTION *IN*
LIMINE No. 8 TO EXCLUDE CERTAIN
TESTIMONY OF GRAHAM ALLAN

[Re Docket No. 2652]

RAMBUS INC.,

Plaintiff,

v.

HYNIX SEMICONDUCTOR INC., HYNIX
SEMICONDUCTOR AMERICA INC.,
HYNIX SEMICONDUCTOR
MANUFACTURING AMERICA INC.,

SAMSUNG ELECTRONICS CO., LTD.,
SAMSUNG ELECTRONICS AMERICA,
INC., SAMSUNG SEMICONDUCTOR, INC.,
SAMSUNG AUSTIN SEMICONDUCTOR,
L.P.,

NANYA TECHNOLOGY CORPORATION,
NANYA TECHNOLOGY CORPORATION
U.S.A.,

Defendants.

No. C-05-00334 RMW

[Re Docket No. 558]

Rambus moves to exclude Graham Allan from testifying "on the DRAM industry's perception of Rambus's interface technology ("RIT") and to its perfect ignorance of the possibility that Rambus might obtain patents reading on JEDEC standards." Mot. at 1. Rambus's argument focuses on Allan's alleged lack of qualifications to express such opinions and his alleged inadequate factual basis for his conclusions. Hynix¹ argues that Allan is qualified to render an opinion on the perspective of a reasonable memory technology engineer with regard to RIT and on the features of the RIT that were well known in the memory technology industry and therefore a part of a reasonable memory technology engineer's "toolbox." Opp. at 3. The court denies the motion on the grounds made but amplifies on its ruling on Rambus's motion *in limine* No. 1 as it pertains to Allan.

I. LEGAL STANDARD

Federal Rule of Evidence 702 governs the admissibility of expert testimony. An expert must be qualified by virtue of their "knowledge, skill, experience, training, or education." Fed. R. Evid. 702. An expert witness' testimony must also be based on "sufficient facts or data." *Id.* While the court has broad discretion in deciding whether that standard has been met, the court cannot shirk its gatekeeper duties. *See General Elec. Co. v. Joiner*, 522 U.S. 136, 142, 146 (1997); *compare with id.* at 148 (Breyer, J., concurring).

II. ANALYSIS

A. Mr. Allan's Qualifications

Graham Allan is an electrical engineer who attended JEDEC JC-42.3 meetings on behalf of MOSAID Technologies, Inc. while Rambus was also a member of JC-42.3 Luedtke Decl., Ex. A at 3 (hereinafter "Allan Report"). Rambus argues that Mr. Allan is not qualified to offer an opinion regarding the state of mind of a reasonable memory technology engineer.

Rambus argues that Mr. Allan is not qualified to testify to what a reasonable memory technology engineer during the nineties thought about Rambus's technology because he has no

¹ For purposes of this order, "Hynix" refers to the Hynix entities in these actions.

1 "specialized training in history or the social sciences" that would enable him "to conduct fact-
2 intensive primary research into the actual mental state of industry members, then analyze this data
3 using reliable social science methodologies." Mot. 8 at 4 (citing *Prado Alvarez v. R.J. Reynolds*
4 *Tobacco Co.*, 405 F.3d 36, 39-43 (1st Cir. 2005)). The *Prado Alvarez* case suggests that a person
5 with a bachelor's degree in history and irrelevant experience would not satisfy Rule 702's
6 qualification requirement such that they could testify to what was "common knowledge" to a group
7 of people. 405 F.3d at 40. The court agrees with *Prado Alvarez*'s interpretation of Rule 702 – a
8 person with a bachelor's degree in history alone is unlikely to be qualified as an expert about what a
9 society knew.

10 Unlike the plaintiff in *Prado Alvarez*, Hynix does not attempt to qualify Mr. Allan as an
11 expert regarding a reasonable Memory technology engineer's knowledge by virtue of his education.
12 Indeed, his education in electrical engineering leaves him less qualified by virtue of education than
13 the expert in *Prado Alvarez*. Hynix instead seeks to qualify Mr. Allan by virtue of his years of
14 experience at JEDEC and by virtue of his having been involved in the memory industry during the
15 relevant time period. Mr. Allan's lack of training in history or social sciences is therefore irrelevant;
16 what matters is his experience. Rambus further argues that Mr. Allan's experience is in engineering
17 and business, but that this experience cannot qualify him as an expert on what a reasonable memory
18 technology engineer would have believed. The court disagrees because Mr. Allan has the requisite
19 knowledge and experience to testify as to what an engineer reasonably skilled in memory
20 technology, based upon the information available to JEDEC at the time the SDRAM standards were
21 adopted, would have understood to be the scope of Rambus's interface technology. Mr. Allan has
22 worked in memory technology for decades, attended JC-42.3 meetings, and has served as chairman
23 of the JC-42.3 committee. Allan Report at 3. This experience satisfies Rule 702's qualification
24 requirement. Mr. Allan is qualified to testify to what a memory technology engineer's opinion about
25 Rambus's technology would have been based on the documents he has reviewed. Of course, Mr.
26 Allan is not qualified to testify as to what any JEDEC member or memory technology engineer
27 actually understood about Rambus's technology at the time the JEDEC SDRAM standards were
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1 adopted.

2 **B. The Factual Basis for Mr. Allan's Report**

3 Rambus next argues that Mr. Allan's opinion is not reliable because it is not based on
4 sufficient facts or data. Rambus faults Mr. Allan for not conducting surveys or interviews of what
5 JEDEC members believed about Rambus technology during the nineties. The failure to conduct
6 surveys or interviews does not doom Mr. Allan's testimony. Indeed, his opinion would likely be less
7 reliable if based on interviews due to hindsight bias and the widespread self-interest of those who
8 would have been interviewed.

9 Instead, Mr. Allan formed his opinion based on his experience and on reviewing slightly
10 over 200 documents. Allan Report at 4, Appendix B. Reviewing contemporaneous documents
11 appears to be one of the more reliable methods of reconstructing what someone may have known
12 during a specific time period. *See Prado Alvarez*, 405 F.3d at 41-42 (endorsing the other historian's
13 thorough review of "weekly magazines, island-wide daily newspapers, Puerto Rican and national
14 health publications, Puerto Rican laws relating to tobacco, smoking, cigarettes and health
15 instruction; education materials, including health education courses and school texts; religious and
16 church publications; polling and survey data; 'materials related to popular culture'; and various
17 government documents"). To be sure, certain entries in Appendix B appear irrelevant, and even
18 prejudicial, to forming an accurate opinion of what a reasonable memory technology engineer would
19 have believed about Rambus technology from 1992 to 2000. For example, documents published
20 after 2000 would seem irrelevant unless they provide historical context. *See, e.g., id.* at Appendix B,
21 ¶¶ 165-170. While these mistakes in circumscribing the universe of materials he considered make
22 Mr. Allan's testimony less reliable, they do not shake the court's finding that, by the preponderance
23 of the evidence, Allan's testimony is reliable.

24 Rambus criticizes Mr. Allan's selection of documents to review, particularly his omission of
25 Rambus licensing agreements, and specifically Hynix's agreement and its "Other DRAMs" clause.
26 A failure to consider certain sources of data can render an expert's opinion unreliable. *See Carnegie*
27 *Mellon Univ. v. Hoffman-LaRoche, Inc.*, 55 F. Supp. 2d 1024, 1039 (N.D. Cal. 1999) (citing cases).

1 The situations described in the case law, however, are far more egregious than Mr. Allan's failure to
2 consider how various licensing agreements would shape a reasonable memory technology engineer's
3 understanding of Rambus's technology. Rambus can most appropriately address this gap in Mr.
4 Allan's opinion through cross-examination. Accordingly, Rambus's motion to exclude the testimony
5 of Mr. Allan based upon Rambus's *Daubert* motion is denied.

6 **C. The Scope of Mr. Allan's Testimony Regarding Prior Art**

7 While Mr. Allan's testimony is not properly excluded under Rule 702, the court is concerned
8 about the scope of Mr. Allan's testimony in relation to Rule 403. The court stated in its ruling on
9 Rambus's motion *in limine* no. 1 related to patent validity:

10 The motion is granted to the extent that it seeks to preclude the Manufacturers
11 from arguing the subject Rambus patents are invalid. However, this ruling does not
12 prevent the testimony of McAlexander or Allan that Rambus's disclosures to JEDEC
13 would not have put a reasonable memory technology engineer on notice that Rambus
14 would seek patent rights covering features then under discussion at JEDEC. As
15 pointed out by the FTC in *FTC Rambus* at 62: "The ability, after the fact, to
16 determine from a written description that at the time of filing an applicant 'was in
17 possession' of a particular invention 'now claimed' is not the same thing as the ability
18 to predict, prior too publication, the potential scope of future claims." Nor does this
19 ruling preclude Allan from testifying that at the time of JEDEC's adoption of the
20 standards in question "programmable latency," "programmable bust length," "dual
21 edge clocking" and "programmable write latency" were well known techniques.
22 However, he cannot challenge or suggest that Rambus's claimed inventions covering
23 SDRAM and DDR SDRAM were not new and novel at the time of Rambus's original
24 April 18, 1990 application and an instruction making clear that Rambus's claimed
25 inventions were not anticipated may be necessary.

18 *Hynix Semiconductor, Inc. v. Rambus Inc.*, 2008 WL 350654, *1 (N.D. Cal. Feb. 3, 2008).

19 Mr. Allan's report, although not directly challenging the validity of Rambus's patents,
20 discusses prior art suggesting that Rambus's patents were anticipated or obvious before the original
21 application date of April 18, 1990. While this testimony has a legitimate use (that a memory
22 technology engineer may not have believed a person could obtain a valid claim on certain
23 technologies, and therefore had no reason to suspect Rambus was seeking such claims), it creates a
24 pernicious inference that Rambus's patents are invalid. In arguing against instructing the jury
25 regarding the prior patent infringement verdict in this case, Hynix submitted that for this phase of
26 trial Rambus's patents would be assumed to be valid and infringed. Allowing Hynix to put on
27 testimony that implicitly undermines that assumption creates substantial unfair prejudice for
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1 Rambus.

2 If Mr. Allan limits his testimony to saying that between 1992 and 2000, a reasonably skilled
3 engineer would have had certain "tools" and, therefore, would not have thought that someone could
4 obtain a patent claim covering various aspects of JEDEC's proposed SDRAM standards, the unfair
5 prejudice appears minimal compared to his testimony's probative value given that the patents date
6 back to April 1990. However, if he discusses Rambus's patent claims and testifies that the
7 technology embodied in those claims was well-known as of the application date, he is indirectly
8 challenging the validity of the patents in an unfairly prejudicial way. Obviously, the balance
9 between probative value and unfair prejudice is context-specific and cannot be defined in advance,
10 but Hynix must be careful to limit the scope of Mr. Allan's testimony to minimize any inference that
11 Rambus's patents are invalid. Hynix may revisit this issue if it believes Rambus's cross-examination
12 of Mr. Allan justifies reconsideration.

13 III. ORDER

14 For the foregoing reasons, the court denies Rambus's *Daubert* motion to exclude Mr. Allan's
15 testimony. However, Mr. Allan may not testify that Rambus's claimed SDRAM patent claims were
16 not new inventions at or before the original application date of Rambus's patents.

17
18 DATED: 2/13/08



RONALD M. WHYTE
United States District Judge

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